

Message Text

UNCLASSIFIED

PAGE 01 ABIDJA 02878 230855Z

ACTION AF-08

INFO OCT-01 ISO-00 EB-08 /017 W

-----231335Z 051523 /41

R 221612Z MAR 77

FM AMEMBASSY ABIDJAN

TO SECSTATE WASHDC 2582

USDOC WASHDC

UNCLAS ABIDJAN 2878

COMMERCE FRO MEPD

E.O. 11652: N/A

TAGS: BEXP, EFIN, OPIC, IV

SUBJECT: MAOR PROJECT: IVORY COAST PAPER PULP
PROJECT

REF: ABIDJAN A-23 OF 4/9/75

1. EMBASSY HAS NOW LEARNED FROM MNISTRY OF PLAN THAT, IN ABSENCE OF SERIOUS INTEREST ON PART OF ANY FOREIGN ENTERPRISE IN INVESTING IN PROPOSED SAN PEDRO PAPER PULP MILL, GOIC HAS DECIDED TO PROCEED WITH PROJECT ON BASIS OF 100 PERCENT IVORIAN EQUITY. AT THE SAME TIME, IVORY COAST WILL CONTINUE TO SEEK FOREIGN PARTICIPATION IN DESIGN, CONSTRUCTION, AND INITIAL OPERATION OF PROJECT, PERSONNEL TRAINING, AND, NO DOUBT, FINANCING (BASICALLY THE SAME ARRANGEMENTS BEING USED IN THE SUGAR REFINERY PROJECTS).

2. CLEARLY, REASON FOR IVORIAN DECISION IS NEED TO MAKE GOOD ON PROJECT WHICH GOIC IS CONVINCED IS VIABLE AND IN WHICH IT HAS ALREADY INVESTED TREMENDOUS AMOUNT OF TIME, MONEY, AND CREDIBILITY. WITH TIME FRAME FOR REALIZATION OF MOUNT KLAHOYO IRON ORE PROJECT BEING PUSHED FURTHER AND FURTHER BACK,
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PAPER PULP MILL REMAINS SINGLE LARGEST PROJECT IN 1976-80 DEVELOPMENT PLAN, AND ONE WHICH GOIC APPARENTLY HAS NO INTENTION OF LETTING FALL BY THE WAYSIDE. MINPLAN INDICATES THAT A NEW PARASTATAL ENTERPRISE WILL BE ESTABLISHED TO UNDERTAKE THE PROJECT. AIM NOW IS TO BEGIN ENGINEERING STUDIES BY YEAR-END 1977, ACTUAL CONSTRUCTION BY YEAR-END 1978,

AND PRODUCTION BY 1980-82.

3. IT IS NOT YET CLEAR WHERE GOIC INTENDS RAISE FUNDS FOR PROJECT. MINPLAN INDICATES THAT GOIC IS IN TOUCH WITH U.S. BANKS (CHASE MANHATTAN AND ANK OF AMERICA WERE MENTIONED) ON THIS QUESTION. IT IS POSSIBLE THATN WITH DELAYS IN IRON ORE PROJECT, GOIC FEELS THAT IT HASSOME ADDITIONAL FLEXIBILITY TO RAISE FUNDS IN INTERNATIONAL FINANCIAL MARKETS FOR OTHER PROJECTS. IVORY COAST WOULD HAVE GREAT DIFFICULTY GENERATING FUNDS INTERNALLY FOR PROJECT VALUED AT ALMOST \$400 MILLION.

4. MINPLAN MENTIONED THAT WEYERHAUSER APPARENTLY STILL EVALUATING PROJECT FROM POINT OF VIEW OF POSSIBLE INVESTMENT. WEYERHAUSER HAD PROMISED NOTIFICATION OF DECISION TO GOIC BY JANUARY 31, BUT CABLED THAT COMPLETION OF EVALUATION HAD BEEN DELAYED. SINCE GOIC HAS NOT HEARD ANYTHING FURTHER, IT ASSUMES WEYERHAUSER NOT INTERESTED IN PROJECT.

4. IN PRESENT FORM, PROJECT OFFERS GOOD POSSIBILITY FOR TURNKEY CONTRACT AS WELL AS EXPORTS OF MACHINERY FOR U.S. FIRMS. RECOMMEND THAT COMMERCE INFORM WEYERHAUSER, INTERNATIONAL PAPER, OTHER INTERESTED COMPANIES OF CHANGE IN STATUS OF PROJECT. IT APPEARS INCREASINGLY CLEAR THAT PAPER PULP MILL, LIKE SUGAR PROJECTS, IS CONSIDERED BY GOIC VITAL TO DEVELOPMENT PROGRAM, AND THEREFORE TO BE UNCLASSIFIED

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UNDERTAKEN NO MATTER WHAT ARRANGEMENTS ARE NECESSARY. STEARNS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PAPER INDUSTRY, DEVELOPMENT INVESTMENTS, PROGRAMS (PROJECTS)
Control Number: n/a
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Sent Date: 22-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770099-0654
Format: TEL
From: ABIDJAN
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770337/aaaabftq.tel
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Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Retention: 0
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Review Exemptions: n/a
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Review Release Date: n/a
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Review Withdrawn Fields: n/a
SAS ID: 3041369
Secure: OPEN
Status: NATIVE
Subject: MAOR PROJECT: IVORY COAST PAPER PULP PROJECT
TAGS: BEXP, EFIN, IV, US, OPIC
To: STATE COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/2fff34b4-c288-dd11-92da-001cc4696bcc
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